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ABSTRACT

"Faculty Salary Systems in Independent Schools"(1983) was a study of trends and patterns found in nine independent schools during 1982-83. The present document is a follow-up report, based on additional information gathered from seven salary seminars held for representatives of independent schools throughout the United States during 1983-84. Most of the information gathered from these seminars reinforces and supports the conclusions of the original report, but the patterns are clearer and more prevalent than one could presume on the basis of the original nine schools. The discussion is divided into the following sections: (1) patterns and directions, (2) the structure of school salary systems, (3) performance pay, (4) extracurricular pay, (5) teacher involvement in decision making, and (6) faculty satisfaction with salary systems. A summary follows, delineating two contrasting patterns in faculty salaries at independent schools: toward highly structured salaries on one hand, and toward performance pay on the other. (TE)

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FACULTY SALARY SYSTEMS IN INDEPENDENT SCHOOLS: A SEQUEL

by

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A follow-up to Faculty Salary Systems in Independent Schools, by John C. Littleford and Valerie Lee (NAIS, 1983), reporting on seven salary seminars

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Faculty Salary Systems in Independent Schools: A Sequel

During 1983-84, I participated in seven salary seminars held throughout the United States. The seminars, sponsored by Robert M. Sandoe and Associates, included John Shank, an independent school financial consultant, and Diane Shank, who serves as a consultant to school business offices. Having been encouraged to send a team made up of the head, business manager, a trustee, and a teacher, many schools sent at least two representatives. Less than 20 per cent of the schools brought teachers as part of their team, but most schools sent more than one person. Some 700 people attended overall, representing 450 independent schools.

In addition to two gatherings in Boston, the other seminars were held in Atlanta, Chicago, Los Angeles, New York, and Washington, D.C. They were organized around a philosophical presentation of salary systems, followed by an explicit description of patterns and trends found in the nine schools Valerie Lee and I studied in 1982-83 and reported on in Faculty Salary Systems in Independent Schools, published by NAIS in 1983.

This study was organized around six major themes: the structure of salary systems in schools, performance pay practices and procedures, extracurricular pay practices and procedures, level of faculty involvement in decisions concerning salaries and salary systems, level of faculty satisfaction with the profession of teaching and with compensation packages, and the various means schools use to improve faculty salary levels.

Through these seminars, it became evident that certain patterns of faculty compensation do appear to exist in independent schools but that these patterns are changing dramatically. The seminars provided a unique opportunity to share ideas and perspectives. From conversations with individual heads, trustees, business managers, and teachers, and counts taken from a show of hands on specific questions related to salary issues, it was possible to collect information to shed more light on current practices in salary administration in independent schools.

Faculty Salary Systems in Independent Schools could not offer nationwide, or even regional, generalizations about salary practices among independent schools because it centered on nine schools that were not randomly selected from the NAIS membership. Instead, the nine schools were selected on the basis of geographic balance, uniqueness of salary structure, effectiveness of salary structure, and salary systems that were high-paying in relation to NAIS national and regional norms.

Most of the information gathered from the seven salary seminars, even though it is largely conversational and anecdotal, reinforces and supports the original conclusions of Faculty Salary Systems in Independent Schools, but the patterns are clearer and more prevalent than one could presume simply by studying nine schools.

Patterns and directions

Historically, independent schools have operated with highly discretionary salary systems, where salaries negotiated individually between the head and teachers have been the rule rather than the exception. Many schools still operate without reference to any salary scale, guideline, or structure, published or unpublished. The past ten years, however, have seen rapid, almost precipitous, movement from highly unstructured, traditional salary systems toward more highly structured, explicit salary systems that rely on one or more scales. These newer salary systems are characterized by highly explicit scales, little or no performance pay, highly explicit scales for extracurricular pay, and considerably greater involvement of faculty members in decisions about salary matters through faculty compensation committees.

This trend seems to have been prompted by the knowledge that teachers want to be able to plan their financial future more reliably and therefore want a greater degree of predictability in their earnings. It also seems to have been prompted by increased reluctance on the part of school heads to make value judgments about teachers' performance that affect compensation. Public school practices, a stronger faculty voice in decision making, a greater demand for information about how salary systems work, and better informed faculty members have all influenced the move in this direction.

Perhaps the greatest single element of the move toward more explicit salary systems and scales has been the relatively low salaries offered by independent schools. Low pay has prompted teachers and schools to attempt to raise salary levels significantly, in turn creating greater faculty interest not only in actual amounts paid but how these amounts are distributed.

Offsetting this ten-year trend is a countervailing phenomenon that has come to the fore in the last two or three years. Schools that have highly traditional, unstructured salary systems are moving very slowly, if at all, in the direction of highly explicit pay structures. In addition, some schools that have highly structured salary systems are studying the possibility of injecting into t. se systems a greater degree of discretion, flexibility, and opportunity for recognizing individual differences in performance among teachers. These schools are, however, encountering faculty resistance to their attempts to move toward greater flexibility. Where discretion has been eliminated, boards of trustes are pressing for its reinstatement.

The structure of school salary systems

Following are some of the patterns that have been developing in the salary structures of independent schools over the past several years. The diagram shows five of the six themes of Faculty Salary Systems in Independent Schools.

Structure

Low ---------- High

Performance pay

Low ---------- High

Extracurricular pay

Low ---------- High

Faculty involvement in decision making

Low ---------- High

Faculty satisfaction

Low ---------- High

It appears that schools that are highly unstructured and traditional in their approach to salaries tend to have high levels of discretionary pay. These same schools tend to have little or no formal process of evaluating teachers or criteria for performance pay. They also tend to pay little or nothing for extracurricular activities, regarding them as a basic part of the teaching assignment. Teachers at these schools are involved in decisions about salaries only a little or not at all.

Many schools that have unstructured systems seem to experience high faculty morale and regard for the school's salary system. But the schools that achieve this level of faculty support are also those that are paying high salaries, that enjoy high faculty trust in the leadership, and whose leadership is strongly committed to increasing faculty salaries. These schools are likely to be small enough for communication among all levels of administration and faculty to be open and unencumbered. Even the absence of a formal evaluation system and explicit performance pay criteria does not prevent faculty support for the overall salary system. These schools would find it easier to move gradually toward a moderately explicit salary structure.

Some of the schools that have moved rapidly toward highly structured and explicit pay scales have moved almost totally away from performance pay. They appear to have no formal system of faculty evaluation. Schools in this group have begun to pay additional amounts for participation in extracurricular activities and have made faculty salaries higher and more explicit for a wide range of other activities. Many of them have launched faculty salary committees that have proved to be quite active and have had a noticeable effect on salary structures and modifications from year to year. Whether a faculty salary committee is formed at the behest of the head or the faculty often depends on the level of trust in the school and on how cooperatively administrators and teachers work on the issue of salaries. Schools having an explicit salary system encounter more difficulty in injecting a discretionary element into the salary system because teachers, regardless of their philosophical position on performance

pay, like predictability and explicitness. And, once an explicit salary system is in place, teachers are reluctant to give it up.

One of the best examples of an interesting accommodation between faculty and administration on the subject of performance pay, is Wetherly Academy, one of the nine pseudonymous schools in Faculty Salary Systems in Independent Schools. Wetherly, a well-known boarding school, has one of the most highly explicit pay structures of any independent school in the country, with multiple scales that provide predictable future earnings for teachers. This same school, however, has a highly unexplicit, undefined, and unpublished performance pay system. Even so, the faculty does not object to this system or lobby to eliminate it, perhaps because so much of the rest of the system is explicit and standardized.

Substantial regional differences exist in the structure of independent school salary systems. Schools in the New York area tend to have highly explicit salary scales that do not differ markedly from those of their public school counterparts. Experience and advanced degrees are the basis of increased earning power. Schools in the West and in New England seem to have a much wider range of approaches, evenly distributed, at least among those schools represented at the salary seminars. Schools in the Southeast and Midwest tend to have a sizable number of schools with highly explicit salary systems balanced by a similar number that have retained traditional systems having little or moderate structure. Although several regions of the country seem to have a bipolar approach to salary structure, many schools are looking at more moderate, middle of the road approaches that combine an explicit salary system with some sort of performance pay.

NAIS member schools seem to fall into one of four categories of salary structure: (1) those that still have traditional negotiated systems--and those that have moved only a slight distance from this approach; (2) those that have moved dramatically toward one or more explicit scales; (3) those that employ highly explicit salary scales with a performance pay option that may be either explicit or ambiguous; and (4) those that have employed the "discretionary band" concept, where a scale operates in tandem with a certain amount of discretionary latitude. This last idea, gaining momentum and popularity in several regions of the country, is best represented in Faculty Salary Systems in Independent Schools by the Neville School, a coeducational school in the Northwest. At Neville, opportunities for performance pay are numerous, operating within a general framework of minimum and maximum salary levels that a teacher achieves after a certain number of years of experience. The principle is illustrated in the chart of Neville's faculty salary system, which appears on page 46 of the study.

Performance pay

Before Valerie Lee and I began our original salary study, we thought that performance pay in independent schools would usually turn out to be sizable amounts of money paid to a small number of "master" teachers generally recognized by their colleagues as being outstanding performers. Instead, in the nine schools studied, we found that much smaller amounts--usually ranging from $100 to $1,000--were paid to as much as 80 or 90 per cent of the teaching faculty of a given school. The goal of this method of

performance pay seemed to be to make most or all of the teachers feel like winners and to send negative signals to a small percentage of teachers, who were asked to improve their performance. A few schools had an approach that combined both models, allocating enough money so that a small number of teachers received a much larger amount of performance pay than the rest.

From the salary seminars, several polls, and many individual conversations, the following patterns and characteristics seem to hold true for most of the schools represented at the seminars.

1. Most of the schools using "performance pay" do not define it as such; they regard it simply as a discretionary form of additional money.

2. Most schools that offer performance or discretionary pay, with or without a scale, do not have any published criteria for awarding performance pay

3. Most schools, even those that have or are working toward creating a faculty evaluation system, do not actually tie the results of such an evaluation explicitly to the amount of salary a teacher is paid.

4. Many school heads seem reluctant to ask marginally competent teachers to leave or to give negative comment to instructors. Reluctance is even greater about making salary decisions based on an open evaluation of a teacher's performance--decisions that must then be defended.

The most important issue on the minds of teachers in the salary seminars was faculty evaluation. They felt that performance pay should be addressed only after establishing a system of faculty evaluation based on due process and having clear-cut guidelines and expectations for teachers. Most of the schools represented in the seminars had some type of system of evaluation or were developing one. No more than 5 to 10 per cent of the schools, however, had any kind of formal faculty evaluation system, with a published procedure for regular oral and written reviews of a teacher's performance.

A frequent response of the teachers was that a performance pay system could succeed best in a school that was already offering competitive salaries and investigating performance pay as a way to increase the overall level of salaries. They felt that any school paying poor, moderate, or uncompetitive salaries should concentrate on raising basic salary levels before diverting money to performance pay. Heads and trustees in the audience, on the other hand, tended to agree that it is those schools having modest or scarce resources that must be the most courageous in allocating those resources according to some measure of teaching effectiveness and performance.

Two of the schools in Faculty Salary Systems in Independent Schools were frequently referred to as models worthy of consideration in the area of performance pay. The first was the Neville School, with its "discretionary band" in addition to an explicit salary scale. The longer a

teacher has been at Neville, the greater is the discretionary band within which the head may make specific salary decisions. This approach tended to be particularly interesting to trustees and heads at the seminar, who saw in it both predictability of future earnings for teachers and discretion for the head in recognizing performance and extracurricular commitment.

The second most frequently mentioned system was that of the Hawthorne Country Day School, which has a very explicit salary system for those holding bachelor's and master's degrees and an equally explicit performance pay schedule with annual performance increases of up to $1,000, which are accrued from year to year. Hawthorne publishes its performance pay criteria, which consist of points for extracurricular commitments and evaluation of performance as teacher, adviser, and coach. Like Neville, Hawthorne offers a structural compromise between a system that relies exclusively on discretionary pay and one that relies solely on rigid pay scales.

No more than 5 per cent of any of the seven seminar groups indicated that their schools were paying over $1,000 in differential performance pay to teachers of similar backgrounds and experience. No more than 10 per cent were philosophically in favor of providing more substantial sums of money to a much smaller group of highly valued teachers. Most of the heads at the seminars were convinced that their schools had a certain small number of master teachers, but they indicated that these teachers were not necessarily paid a great deal more than others having similar experience and education.

Regional differences in approaches to performance pay were quite noticeable. Performance pay was almost nonexistent in the New York area and was rarely evident in the Midwest. It is somewhat more popular among the southeastern schools represented at the seminars, but there was a bipolar split among the schools in the Southeast, with approximately half supporting the idea and the other half opposing it. Performance pay seems to be an option exercised more frequently in the West, New England, and the Southwest, and to a lesser extent in the Middle Atlantic states.

The schools represented at the seminars confronted a very difficult problem in that most of them had not yet developed explicit faculty evaluation systems and did not feel that salary levels were high enough to warrant moving into an explicit performance pay system. However, a clear danger was felt by some of the schools: schools with moderate or poor salary levels, and without a careful system of faculty evaluation in place, should be very cautious about moving in the direction of explicit performance pay systems. Those schools that have highly ambiguous performance pay systems may be living on borrowed time and may confront serious difficulties when the heads now in office--the ones who have earned the trust that now exists--leave their posts.

Very few schools had explored the concept of performance pay exemplified by Westmore, in Faculty Salary Systems in Independent Schools--multiple scales, with the low one reflecting probationary status and the high one reflecting a nonprobationary performance pay track. This model, also found in institutions of higher education, was used by only one or two of the schools that attended the seminar. It is a system well worth

examining for schools that seek some flexibility in salary decisions but do not wish to place much pressure on the head to make value judgments about performance that affect specific salaries paid to teachers.

Extracurricular pay

Faculty Salary Systems in Independent Schools indicated that extracurricular pay was becoming one of the more important issues in independent schools as teachers questioned the equity of extracurricular assignments when extracurricular pay was not provided for specific activities. The problem centered around inequitable assignments, concern about vacation time used for extracurricular duties, and a feeling that extracurricular activities should be more explicitly defined and compensated for, depending on the number of hours spent in a given activity. Some schools had the traditional view of extracurricular assignments as a basic expectation of an independent school teacher. Others reduced teaching loads to accommodate extracurricular assignments as part of the basic duty day.

The salary seminars confirmed the sense that the issue of extracurricular pay is causing growing unhappiness among teachers. But schools that have adopted highly explicit "pay for everything" systems are also encountering difficulties from burdening the budget with a new and sizable annual salary expense and having to devise an equitable way of allocating these extracurricular dollars. At schools using the traditional negotiated salary approach or having an unpublished salary schedule, extracurricular pay either does not exist or is incorporated in base pay. Several heads in the salary seminars indicated that the systems of highly explicit extracurricular pay they have developed have led to the inclusion of a wide range of activities that once would have been considered a part of the regular teaching day.

Teachers are looking at extracurricular pay as one way to earn more money, often by doing something that they enjoy anyway. Because they can choose or not choose a specific extracurricular activity, this gives them some control over how they earn their pay. More and more teachers are asking to be paid for extracurricular activities, particularly those that occur after school, according to an explicit schedule based on some rational measurement of the time and skills needed to conduct the activity. Schools and heads are confronted with how to address these concerns while trying to keep costs under control and avoid creating a system that will eventually be expected to give teachers extra pay for all kinds of supervisory duties.

Teacher involvement in decision making

Faculty Salary Systems in Independent Schools indicated that significant faculty involvement in creating and monitoring salary systems occurs either when the head of the school invites the faculty to form a committee to deal with these questions, or when a faculty committee forms, right after a change of head, without the formal approval of the new head or the board, and begins to ask for specific involvement in decisions on salary matters. Where highly influential faculty salary committees exist, schools tend to develop and use highly explicit salary scales, often

including explicit compensation for extracurricular activities. In cases where the head has created the committee, the move toward highly explicit salary scales is somewhat more gradual.

The salary seminars indcated that faculty salary committees are becoming more common in independent schools. Where they are formed with the support and involvement of the head, they participate constructively in the salary process. Where they come into existence without the express involvement and support of the school head, the results are more mixed, and the opportunities for conflict between head, board, and faculty are more likely.

As indicated earlier, schools that have moved toward highly explicit salary scales over the last several years are now trying to introduce a discretionary component into their faculty salary systems. Where strong faculty committees already exist, and particularly those elected by the faculty, the effort to reduce rigid salary scales meets strong resistance. In other schools, conflict between trustees and faculty members has resulted from boards feeling that too little discretion is included in the compensation package.

This area of salary administration is perhaps one of the most delicate at this time. Where trust is high between faculty and head, and where relatively high salaries are already being paid, faculty salary committees have proved to be constructive and useful forums for developing and carrying out salary practices. Where they lack administrative support and approval, and in schools where trust and salary levels are lower, such committees often move in directions the administration and board may deem harmful to the long-term interest of the school.

The general consensus of heads at the seminars was that this area needs to be explored carefully and slowly and that schools that move toward forming faculty salary committees should give serious consideration to specific guidelines for their functioning and expected outcomes.

Faculty satisfaction with salary systems

The schools described in Faculty Salary Systems in Independent Schools were, as has been indicated, already paying relatively high salaries, at least according to NAIS norms. Teachers were highly satisfied with the systems these schools used to distribute money and with the levels of salary paid. In the salary seminars, however, where a much wider range of schools was represented, evidence of faculty satisfaction was much less consistent. Trustees, heads, and business managers, as well as teachers, said that faculty members in many schools are not satisfied with either the level of salaries being paid or with the way salaries are distributed.

Summary

A strong salary pattern existed in independent schools in the past: individually negotiated salaries, informal salary systems, high discretionary pay, low extracurricular pay, and little involvement of faculty members

in decisions about matters of salary. This pattern has been counterbalanced by the trend, over the last five to ten years, toward more highly structured salary systems that include little or no performance pay, highly codified extracurricular pay, and high faculty involvement in developing and monitoring salary systems.

Contrasted with this pendulum swing is a newer trend, about two years old. Salary structures are being developed that have a fairly high degree of flexibility for rewarding excellence through some form of performance pay. In these situations, faculty involvement tends to be at the invitation of the head, and some form of faculty evaluation based on due process is now beginning to influence salary increases and performance pay.

The move from unstructured to highly structured systems seems to correlate closely with low pay, high turnover of heads, and a faculty need to have more predictability of earning power. Schools able to make the transition from an unstructured to a moderate approach, or schools that back off successfully from a highly structured approach, appear to be those that have a commitment to paying higher salaries, high trust in the head, faculty evaluation based on due process, and/or explicit criteria for determining performance pay.

Schools are increasingly concerned about their diminished ability to reward excellence in the face of the move toward iron-clad salary scales during the last decade. In spite of these difficulties, some schools have achieved or are working toward a compromise between these contrasting patterns.